



To: Government Oversight Committee

From: Jennifer Acton

Date: April 26, 2012

Re: E911 Wireless Surcharge First Calendar Quarter Report (January – March 2012)

The Legislative Services Agency has received the first calendar quarter report for 2012 from the Homeland Security and Emergency Management Division as required in [Iowa Code Section 34A.7A\(3\)\(b\)](#).

The Division received \$4.4 million in revenue from the E911 wireless surcharge (\$0.65 per phone, per month). This is a decrease of \$63,880 compared to the previous quarter. The Fund earned \$7,612 in interest. [Iowa Code Chapter 34A.7A](#) specifies the priority order for the collected surcharge funds to be expended. The total expended this quarter was \$3.7 million.

Listed below, by priority order, are the amounts expended:

- \$50,000 per quarter for administration. This includes 2.0 FTE positions, an annual audit, and program operating costs. Intent language in [SF 510](#) (Justice System Appropriations Act) specifies that up to \$200,000 of the wireless surcharge money may be used for these expenses each fiscal year.
- \$750,000 for wireless service provider cost recovery. This is a decrease of \$6,552 compared to the amount used in the previous calendar quarter. For this quarter, billings from a couple of the wireless carriers increased. Statute requires 21.0% of the revenue generated (\$915,000) to be allocated to the wireless carriers to recover costs associated with providing wireless E911 Phase 1 (tower address, call back number) service. The difference between the actual expended amount (\$750,000) and the allocation (\$915,000) is \$165,000. The difference is included in the carryover balance.
- \$280,000 for wire-line transport costs for local carriers. This is a decrease of \$768 compared to the previous quarter. This amount is a reimbursement to telephone companies for the actual costs of transporting the wireless E911 call from the selective router to the Public Safety Answering Point (PSAP).
- \$1.5 million for automated location information costs for local carriers. This is an increase of \$2,400 compared to the previous quarter. This amount is a reimbursement to companies that provide Automatic Location Information (ALI) database services and selective routing.
- \$1.1 million for the Public Safety Answering Points System (PSAPs). This is a decrease of \$16,424 compared to the previous quarter. There are currently 117 PSAPs providing

55,996 square miles of coverage. In this quarter, the PSAPs received 237,347 wireless calls, a decrease of 10,974 calls compared to the previous quarter. The funding the PSAPs receive is 25.0% of the surcharge generated and is distributed to the PSAPS based on the following formula: 65.0% based on the square mileage of the local 911 service area and 35.0% based on the volume of wireless E911 calls received by the PSAPs.

- The total carryover funds available from the first quarter is \$695,000. The total carryover available in the Fund is \$10.0 million. Of the total amount of funds in the Carryforward Fund, \$1.7 million is obligated for the following:
 - \$1.3 million to match the federal grant for the Next Generation Project. Telecommunications Systems Inc. (TCS) was awarded a five-year contract. The total estimated cost for the project is \$2.7 million with \$1.3 million funded by grants through the U.S. Department of Transportation Highway Safety Administration and the U.S. Department of Commerce National Telecommunications and Information Administration. The required State match of \$1.3 million will come from the Wireless Surcharge Carryover Fund.
 - \$200,000 for all network capacity increases.
 - \$150,000 for carryover PSAP projects.
- The Iowa Homeland Security and Emergency Management Division is upgrading the wireless E911 system to support the use of the Next Generation 911 (NG911) emergency services IP-based system. The upgrade will allow texting, video, and picture messaging to access emergency care via 911. The balance in the Carryforward Fund is being used for the Next Generation 911 network for the following costs:
 - Grant Funds Match - \$990,000
 - TCS Contract Costs - \$1.1 million including \$162,000 for recurring costs and \$928,000 for non-recurring costs associated with the hardware and software for the new network.
 - ICN Costs - \$73,000 including \$32,000 in recurring costs and \$41,000 for non-recurring costs associated with the hardware and software for the new network.
 - The remainder will be used to pay additional network costs until the old network is disconnected. The two networks will run in tandem for approximately six months until the new network can be completely tested.

All equipment has been installed at the data centers in West Des Moines and Newton and testing of this equipment has been completed. Circuit orders for the PSAPs have been submitted to the ICN. The TCS equipment to be installed in the PSAPs has been ordered and is being provisioned. The TCS equipment is installed and tested in the PSAP one week prior to the deployment date. Circuits are tested and turned up one week before their deployment date. Deployments began on April 9th. There are currently four PSAPs migrated to the new NG911 network, including the offices of the Buena Vista County Sheriff, the Calhoun County Sheriff, WestCom (Polk Co), and the Benton County Sheriff. Starting the week of April 30, Homeland Security will be deploying one PSAP a day to the NG911 network.